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MEMORANDUM FOR THE RECORD

DATE: 126281 REVIEWER

SUBJECT:

H. R. 1870, Relating to Suspension of Employment in the

Interest of National Security

REFERENCE: Memorandum from Legislative Counsel to Acting Director of Central Intelligence dated 6 April 1959 - Same Subject

- 1. At a meeting with Charles Johnson, Counsel for the House Post Office and Civil Service Committee, on 19 March 1959, we learned that Chairman Tom Murray intended to take action on H. R. 1870 the following week. H. R. 1870, Murray's bill, was written to "correct" the Supreme Court ruling in the Cole case which held that nonsensitive civilian employees of the Government were not subject to dismissal for security reasons under Executive Order 10450 and its authorizing statute. It also provides that civilian employees may be suspended or separated only under one of the following:
 - a. The Lloyd-LaFoliette Act (separation for cause, i.e., administrative reasons);
 - b. the Veterans' Preference Act; or
 - c. the provisions of H. R. 1870 (separation in the interest of national security).

This bill, if enacted, would impair the Director's authority under section 102(c) of the National Security Act to separate an employee "in the interest of the United States," substituting the narrower authority of this bill to separate "in the interest of national security" subject to an appeal to the Civil Service Commission.

- 2. Referenced memorandum points out that a letter signed by the Director requested the House Post Office and Civil Service Committee to amend H. R. 1870 so as to preserve the Director's authorities under section 102(c). It also describes subsequent developments involving this bill through 6 April.
- 3. On Wednesday, 8 April, Mr. Charles Johnson called this office on the status of our letter on this bill. He was informed that we were still awaiting clearance of the letter by the Bureau of the Budget. He explained that he expected Chairman Murray to announce in a Committee meeting on 9 April that

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the Committee would begin hearings on the identical security bills (H. R. 1870, H. R. 1161 and H. R. 1989) on 21 April. He said he and other members of the staff had been working on language which would preserve the Director's separation authority as well as that of the Atomic Energy Commission.

4. On Thursday, 9 April, Mr. Johnson called and said the staff planned to amend H. R. 1870 by deleting section 2 (containing the provisions for the Atomic Energy Commission), moving up the subsequent sections and adding a new section 4 which would cover the Atomic Energy Commission and CIA authorities in two separate subsections. Another subsection will provide exceptions for the FBI and NSA from the appeal procedures contained in the exceptions for the FBI and NSA from the subsection containing the Director's bill. Johnson requested a citation to the subsection containing the Director's authority and this was given. He said a Committee print of the amended bill would be run in the next few days and copies would be provided us. He also said that while he did not believe that it would be necessary for Agency representatives to testify before the Committee on the need for this provision, he would like to have someone from the Agency available when the Committee considers this bill in the event any member wishes to query us on it.

S/ John S. Warrar JOHN S. WARNER Legislative Counsel

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" "ORANDUM FOR: Acting Director of Central Intelligence

' 'JLCT:

H. R. 1870, Relating to buspension of Employment in the Interest of National Security

- 1. This memorandum is for information only.
- nears of all Government departments and agencies for the suspension and advantion of employment of civilian personnel of the United States in the interest of national occurity. Following conversations between representatives of this Office and members of the staff of the House Post Office and with crvice Committee on this bill, the Director signed the attached letter to the Committee on 20 March 1959. The letter requests that H. R. 1870 be amended so as to preserve the authority of the Director of Contral Intelligence under section 102(c) of the National Security Act.
- 3. Our letter was cleared with the Bureau of the Budget on an informal basis before the Director signed it. Subsequent to signing and prior to delivery to the Committee, the Bureau withdrew its clearance and requested that the agency take no formal action with respect to the bill until an Administration contion was fully developed.
- 4. Since that time we have maintained periodic centact with the increase concerning this measure. Teday we were advised that Mr. Phillip 5, Jughes, Assistant Director for Legislative Reference, is personally handling reports on this bill for the Bureau. A number of other departments have raised objections to the bill as it relates to their particular problems. We have been assured by the Bureau that our interests are in their minds and that every effort will be made to protect them as well as those of other departments. The Bureau is attempting to quietly kill any action on the bill in the Committee.
- 5. While so action is required at this time, I am calling your attention to the matter in the event action by you becomes necessary. We shall continue to maintain close centact with the Bureau.

S/ John S. Warner
JOHN S. WARNER
Legislative Course!

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MEN. JRANDUM FOR: THE DIRECTOR

Attached is a copy of the previous memorandum to the Acting Director on H. R. 1870 and a supplemental memorandum of 14 April. In essence what has happened is that through discussions with the Committee staff they agreed to the desirability of exempting CIA but requested written notice. This was prepared and you signed it. However, after informal clearance of that letter, the Bureau of the Budget has asked that it be held pending further determination of an Administration position on the ever-all bill. Not wishing to be caught in the middle on this, we have

MEMORANDUM FOR: THE DIRECTOR

continued "informal" work with the Committee staff to the point where a revised bill will be printed within the next few days including appropriate language to exempt CIA. If as indicated in the meantime the Committee actually wishes a representative of CIA to be present when the bill is discussed, we will then advise the Bureau of the Budget of our dilemma with the hops that they can only agree that we must be available to comment on the technical aspects of the exempting language.

For your information, we are having the

MEMORANDUM FOR: THE DIRECTOR

Committee Chief Counsel and the Counsel for lunch at the Agency this Friday with General Cabell presiding to give them an appropriate background briefing.

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JOHN S. WARNER Legislative Counsel

14 April 1959 (DATE)

FORM NO. 101 REPLACES FORM 10-101 WHICH MAY BE USED.

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